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H.B. 523
136th General Assembly

Fiscal Note & Local Impact Statement

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Version: As Introduced

Primary Sponsors: Reps. Brennan and Manning

Local Impact Statement Procedure Required: No

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Highlights

- Department of Education and Workforce (DEW) and State Board of Education (SBE) costs will increase to provide each student teacher with a cost-of-living stipend or a means-tested reimbursement of test fees, respectively, to the extent that funds are appropriated for these purposes.
- School districts, other public schools, and public universities will incur various costs if they choose to provide the specified forms of compensation or other financial assistance for student teachers permitted by the bill. If provided, compensation or assistance costs will depend on program implementation decisions.

Detailed Analysis

Student teacher compensation and other financial assistance

Traditionally, student teaching is an unpaid requirement within teacher preparation programs at institutions of higher education. Individuals enrolled in teacher preparation programs often pay tuition for the experience since it is a required part of the individual's college coursework, rather than employment.

The bill requires the Department of Education and Workforce (DEW) and the State Board of Education (SBE) and permits school districts, other public schools, and public universities to provide an individual enrolled in a teacher preparation program and who works as a student teacher with various forms of compensation and other financial assistance. Ultimately, the costs for the provisions the bill assigns to DEW and SBE will depend on the funding levels the General Assembly appropriates to support them (the bill does not appropriate funds for the initiatives). Any costs to public schools and universities are permissive and, therefore, will depend on program implementation decisions. These provisions are discussed below in more detail. Any

wider or longer term fiscal effects of the bill associated with teacher licensure and staffing will depend on the degree to which the state, public schools, and public universities support and participate in the bill's initiatives and other factors.

DEW stipends and SBE test fee reimbursements

To the extent that funds are appropriated for this purpose, the bill requires DEW and SBE to provide certain financial support to an individual enrolled in a teacher preparation program during the period in which the individual is also working as a student teacher or participating in any similar field experience. Specifically, it requires (1) DEW to provide an eligible student teacher a cost-of-living stipend and (2) SBE to provide reimbursement of test fees based on financial need. If funds are provided, DEW and SBE must also establish procedures as necessary to provide cost-of-living stipends or test fee reimbursements, respectively. The bill permits DEW to provide the stipend in addition to any potential wage rate provided by the school district in which the individual is teaching. In the case of test fee waivers, the individual cost for most assessments that are required for educator licensure is \$109.

Public university tuition waivers

The bill permits a state institution of higher education¹ to establish a lower differential tuition rate, which may include a waiver of general or instructional fees, for the period in which an eligible individual works as a student teacher or participates in any teacher preparation program field experience in a school building. In FY 2025, 63% (10,946) of the 17,345 students enrolled in teacher preparation programs attended public universities. A public university with a teacher preparation program that chooses to provide a waiver to an eligible individual will forgo such revenue, the amount of which would vary by university. Generally, the amount of forgone revenue will likely be in the thousands of dollars per student. In FY 2025, the average in-state tuition for full-time undergraduate students enrolled at public universities weighted by FY 2025 subsidy eligible, full-time equivalent (FTE) students is approximately \$10,800.

Such revenue loss could be offset at least somewhat by an increase in the university's share of state share of instruction (SSI) if more students enrolled in its teacher preparation program take advantage of the tuition waiver. SSI is the state's primary funding source to support the instructional costs of the state's 60 public universities and community and technical colleges. In FY 2025, the average per-student SSI received by public universities and their regional campuses was \$7,621. If a university opts to provide tuition waivers, the bill requires the Ohio Department of Higher Education to establish procedures governing them.

Compensation for student teachers in public schools

Since 2024, student teachers have been required to obtain a pre-service teaching permit from SBE to participate in student teaching or any other training experiences that involve students in any of grades pre-kindergarten through 12. The permit also allows student teachers to be employed as a substitute teacher and compensated for that service. The bill permits school districts and other public schools to pay student teachers a wage rate no less than the state's

¹ Although the bill permits any state institution of higher education to waive tuition for eligible students, teacher preparation programs are currently only offered at 13 public universities and numerous private institutions.

minimum wage (currently \$11.00 per hour) or to offer the same health care benefits provided to teachers in the district. Student teaching internships for the initial teaching license are full time and last at least 12 weeks.

List of in-demand jobs

The bill requires the Ohio Department of Job and Family Services (ODJFS) to include teachers on the list of in-demand jobs² established under continuing law. According to the Governor's OWT's Top Jobs website, criteria for jobs categorized as "in-demand" strengthen Ohio's current and future strategic economic advantage and empower people with 21st century skills. These jobs have a sustainable wage and a promising future based on the projected number of openings. While teachers are currently on the Top Jobs List, they are generally categorized as "critical."³ The addition of teachers to the list of in-demand jobs may increase the number of eligible recipients and, potentially, state expenditures for programs that use an in-demand qualification as criteria for receiving an award. However, any other criteria for eligibility in these programs will likely determine if listing teachers as an "in-demand" occupation will have a fiscal impact on the program.

Since ODJFS is already required under continuing law to periodically update this list to reflect evolving workforce demands in Ohio and its regions, this provision is unlikely to have any direct fiscal effect on ODJFS.

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² Accessible by filtering for "in-demand" jobs in the customizable Top Jobs List, which is available on the Governor's Office of Workforce Transformation's (OWT) website: topjobs.ohio.gov.

³ "Critical" jobs are identified by the Governor with help from experts and stakeholders in eight career clusters aligning with the Governor's policy goals. The eight priority clusters include: Children and Community Health, Early Childhood Education, First Responders, Lead Abatement and Construction, Mental and Behavioral Health, Nurses, Physicians, and Wellness Research and Technology.